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INTERNATIONAL

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Established 1887

Algeria	125	Kenya	Sh. 7
Argentina	250 D.R.	Lebanon	20 L.F.
Australia	250 D.R.	Luxembourg	20 L.F.
Belgium	250 D.R.	Morocco	250 D.R.
Canada	250 D.R.	Netherlands	1.50 G.
France	250 F.R.	Nigeria	60 K.
Germany	1.50 D.M.	Portugal	30 Esc.
Greece	20 P.	Spain	20 Ptas.
India	40 Ru.	Sweden	275 S.Kr.
Iran	400 Rls.	Switzerland	1.70 S.Fr.
Israel	1.50 N.S.	Turkey	17.15 L.
		U.S. Military	50 Cts.
		Yugoslavia	20 D.

Note Claims Moro Is Executed, Police Searching Lake for Body

Frogmen Comb Remote Mountain Site

By Henry Tanner

ROME, April 18 (NYT)—Italian security forces on skis and in helicopters today conducted a vain search for the body of former Premier Aldo Moro after his kidnapping. The searchers at Lake Duchessa, 5,000 feet high in the Abruzzi mountains, found the lake covered with an unbroken blanket of ice and no human traces on the steep snow-covered slopes around it.

In an unrelated event, investigators this morning stumbled on a highway used by the kidnappers of Mr. Moro in the suburbs of Rome. The discovery was made after a housewife called firemen because water from an open shower upstairs seeped through the ceiling of her bathroom. The firemen broke into the small apartment and found an arsenal of automatic weapons and airline uniforms of the type used in Mr. Moro's abduction more than a month ago.



Italian Former Premier Aldo Moro

But Vote Still in Doubt

U.S. Senate Leaders Find Canal Pact Compromise

By John H. Avenall

WASHINGTON, April 18—Senate leaders yesterday won an 11-hour compromise that appeared to remove the last major obstacle to approval of the Panama Canal, but the outcome of the vote, scheduled for later today, still remained in doubt.

There was little or no doubt about the authenticity of the statement in which the Red Brigades terrorist organization announced Mr. Moro's "execution by suicide."

BRIGATE ROSSE

WE PROCESS AD ALDO MORO

... We inform you of the execution of Christian Democrat President Aldo Moro, by suicide. We shall allow you to recover his body, giving you the exact location where it is. The body of Aldo Moro is submerged in the muddy waters... of the lake Duchessa...

"This is only the start of a long series of suicides."

"Suicide must not be only a prerogative of the Boader-Meinhof group."

"Let the various Andreotti, Cossiga, Taviani and all those who support the regime start shaking for their misdeeds."

—From the Red Brigades announcement.

In U.S. Postwar Move

Forced Return of Russians Is Detailed

WASHINGTON, April 18 (AP)—U.S. and British military forces in World War II sent Soviet soldiers back to Russia knowing that they feared death or exile for the crime of being captured by the Germans, documents released yesterday confirm.

from the Army Judge Advocate's files said. "If they survived only through capture by the enemy, they could expect death or exile to Siberia in case of subsequent repatriation."

Cabinet Crisis Settled in Vaduz

VADUZ, Liechtenstein, April 18 (AP)—The longest government crisis in Liechtenstein's history ended today when the two coalition parties announced that they had agreed to divide the foreign affairs portfolio and continue their 40-year alliance.

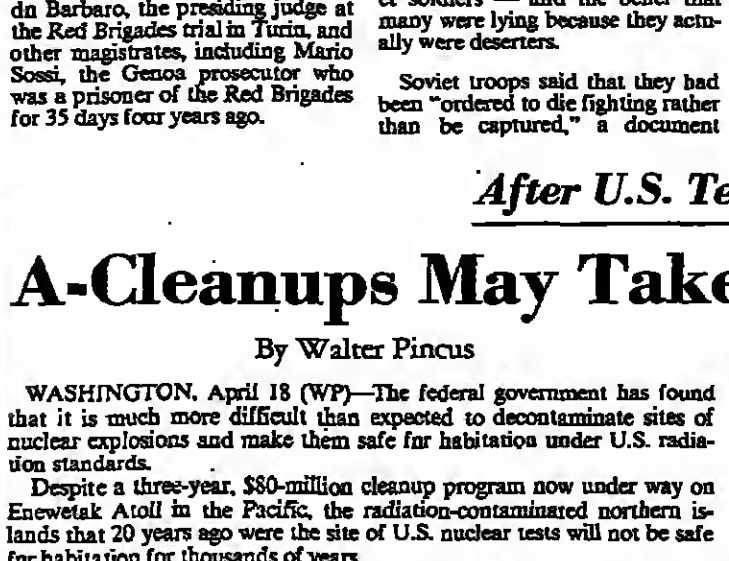
The statement added that Premier Giulio Andreotti and Interior Minister Francesco Cossiga should "renew" as they think of their "misdeeds." It also threatened Guido Carro, the president judge at the Red Brigades trial in Turin, and other magistrates, including Mario Sossi, the Genoa prosecutor who was a prisoner of the Red Brigades for 35 days four years ago.

Nixon Wins in Suit Over Tapes

Supreme Court Bars Public Access to Recordings

By Robert Siner

WASHINGTON, April 18 (NYT)—In a major legal victory for former President Richard Nixon, the Supreme Court today blocked public access, at least for the time being, to White House tape recordings played at the Watergate cover-up trial.



Richard Nixon

Justice Powell found that in this case "there is no question of a truncated flow of information to the public."

Washington, April 18 (NYT)—The federal government has found that it is much more difficult than expected to decontaminate sites of nuclear explosions and make them safe for habitation under U.S. radiation standards.

After U.S. Tests on Islands

A-Cleanups May Take Thousands of Years

By Walter Pincus

WASHINGTON, April 18 (NYT)—The federal government has found that it is much more difficult than expected to decontaminate sites of nuclear explosions and make them safe for habitation under U.S. radiation standards.

undertaken on earth," Vice-Adm. Robert Monroe, DNA's director, said last week.

India Tornado Toll 135

NEW DELHI, April 18 (AP)—Orissa state officials revised the toll from yesterday's tornado in eastern India to at least 135 persons dead. Earlier reports put the toll at 400.



GROWING UP—Princess Nori, who yesterday celebrated her ninth birthday, with her mother as she waters plant at the Togu Palace in Tokyo. She is the only daughter of Japanese Crown Prince Akihito and Princess Michiko.

Civil War Escalating Angola Regime Seen Faltering

By Larry Heinzerling

NAIROBI, April 18 (AP)—Plagued by an escalating civil war, its leader reported in poor health and its economy in a shambles, Angola's Marxist revolution is faltering, according to diplomats, intelligence sources and travelers.

President Agostinho Neto, a Marxist-Leninist, is described by diplomats as desperate but unwilling to seek a political solution to what is essentially a tribal war in its third year.

His refusal to negotiate with his enemies and his government's heavy dependence on Cuban troops and thousands of Soviet, Cuban and East European advisers is beginning to draw criticism in some African capitals.

Proposals are circulating in African diplomatic circles for a government of national unity that would bring the three warring factions together in the former Portuguese colony.

A Western intelligence source said that there are indications of growing support for the two anti-government guerrilla movements from Saudi Arabia, Morocco, Zaire, France and possibly other anti-Communist Middle Eastern and African nations. However, South African support for Unita, one of the anti-government guerrilla organizations, recently has diminished, the source said.

Luanda, the capital and once the jewel of Portugal's African empire, is like a ghost town, a recent visitor

said. The shops are almost empty. There is little food.

Many of Luanda's residents have been forced to return to subsistence living, bartering what few manufactured products are available in town for food in the countryside.

Neto Reportedly Ill

A visitor said that diplomats in Luanda told him that Mr. Neto, 55, was rumored to have had a heart attack or to have cancer and recently went to Moscow for treatment. Diplomats in Moscow said that they believe he is still there, but there has been no confirmation that he is ill.

His government is backed by extensive Soviet weaponry, an estimated 19,000 Cuban soldiers and perhaps 6,000 Soviet, East European and Cuban military and technical advisers.

The Neto government is desperate, a Luanda visitor said. It cannot survive without the Cubans. He added that a Cuban pullout could

lead to the collapse of the government within a few months.

Angola's economy is kept afloat by revenue from the U.S. Gulf Oil Co., which produced an average of 135,000 barrels of oil a day last year. Gulf provides the government with an estimated \$500 million a year in taxes and royalties.

Gulf's operations are protected by Cuban forces in the Cabinda enclave, where a third guerrilla movement, that for the Liberation of the Enclave of Angola, is fighting the government.

Another U.S. oil company, Texaco, recently was reported to have invested in Angola although it has not begun production.

Oil Scene Good

The oil scene is the only thing that is good, said a source.

The civil war is essentially a tribal conflict involving Mr. Neto's Popular Movement for the Liberation of Angola, largely backed by the Movement for the National Union for the Total Independence of Angola, or Unita, led by Jonas Savimbi and supported by the Ovimbundu, and Holden Roberto's National Front for the Liberation of Angola, representing the Bakongos. Angola has a population of 6 million.

Western analysts report that Unita's guerrillas have destabilized much of the southern third of the country. There also have been reports of heavy fighting in northern Angola between government forces and the National Front.

In recent weeks, the government's forces have reportedly stepped up attacks in the north and south using Cuban forces with Soviet advisers and Soviet-supplied MiG jets piloted by Cubans and East Germans.

The fighting has sent refugees into Zaire in the north and South-West Africa (Namibia) in the south. No casualty figures are available.

Kyprianou Pessimistic

(Continued from Page 1)

unacceptable to us and contrary to United Nations resolutions." Mr. Kyprianou said that the proposals sent to him to be essentially a "propaganda exercise aimed at persuading Congress to lift the arms embargo on Turkey and nothing else."

Air Exercises

The apparent lack of substance in the proposals and the air exercises begun over Cyprus today, he said, "show the kind of treatment we can expect from Turkey once the embargo is lifted."

Mr. Kyprianou and most of the 500,000 Greeks on Cyprus fear that the submission of the Turkish proposals has placed them in the middle of a dilemma. If Mr. Kyprianou's government refuses to join intercommunal talks with the Turkish Cypriots, it will seem intransigent.

If the government agrees, it will give the impression that the two sides will negotiate a settlement. In either case Congress will be influenced to lift the embargo on Turkey, which Greek Cypriots feel is the only effective pressure on Turkey to negotiate a fair settlement.

Greek Cypriots are hoping that they will be delivered from their dilemma by Mr. Waldheim deciding that the Turkish proposals are not constructive enough to call for a resumption of the talks. They fear, however, that the secretary-general is under great pressure from the United States, West European countries and Turkey to get the talks started and help Congress justify the lifting of the embargo and the re-arming of Turkey, a member of NATO.



BORING SHOW—Kari Docter, 5, seems less than enthusiastic about the Suzuki International Children's Concert at Carnegie Hall in which 100 Japanese youngsters and 100 Americans played works of Chopin, Mozart and Bach.

Calm Urged In Panama During Vote Students Protest At U.S. Embassy

PANAMA CITY, April 18 (UPI)—Panamanian leader Gen. Omar Torrijos urged students to keep their "patriotic serenity" today as the U.S. Senate votes on the second and final Panama Canal treaty.

"There are many [treaty] modifications and interventions which offend, but which we cannot judge yet, nor take decisions on them until we see the whole package and what they're going to give back to us," he told the students. "There has to be calm, because youths leading the fight must keep their patriotic serenity when many people, either with good or bad intentions, tend to want you to get involved."

While Gen. Torrijos called for calm, leftist students urged a demonstration to coincide with the vote. But student leaders did not say what they would do if the senators rejected the treaty.

A U.S. military spokesman, Air Force Col. Anthony Lopez, said that an undisclosed number of troops in the Canal Zone had been put on what he called an "increased readiness posture" to guard against trouble.

No Violence Expected

"We don't expect any violence or civil disturbances," Col. Lopez said. He would not specify what the posture involved, but declined to characterize it as an alert.

An estimated 100 students attacked the U.S. Embassy yesterday and splashed it with red, white and blue ink to protest the pact. Soldiers broke up the protest with tear gas and there were no reported injuries or arrests.

Foreign Minister Nicolas Gonzalez Revilla said that the outcome of the Senate vote today on the final treaty would be a test of the U.S. commitment to the ideal of freedom for other nations. He said that the United States "has preached for many years about decolonization, the principle of non-intervention and the free determination of peoples. Tomorrow the Senate ... will answer to Panama and the world if it is ready to apply these principles. [It] will tell us if we're wrong in believing in the same values they proclaim ... [It] will tell us what cost we must pay to be a free and dignified people."

His remarks, made to college students, were the first on the treaty in recent weeks by a high Panamanian official.

The treaty would give Panama control of the 51-mile canal on the last day of 1999. The Senate already has adopted another pact guaranteeing the canal's neutrality, by one vote over the required two-thirds majority.

Senate Vote On Panama

(Continued from Page 1)

the verdict could rest with Sen. S.I. Hayakawa, R-Calif., and Sen. James Abourezk, D-S.D., both of whom would not say how they would vote.

Sen. Hayakawa, who said Friday that he might oppose the second treaty because of his growing dislike for the Carter administration's foreign and defense policies, met with President Carter at the White House yesterday afternoon. Emerging from the 30-minute meeting, Sen. Hayakawa was asked if he was satisfied with what the President told him.

"No," he replied, "but I will not dismiss it out of hand." He also said he did not expect to make up his mind about his treaty vote until just before the roll call.

Sen. Abourezk threatened last week to vote against the treaty to protest the administration's energy policies. Sen. Abourezk, normally one of the Senate's most accessible members, refused to be interviewed by the press yesterday. The only information came from an associate who said: "He will vote his conscience."

Treaty opponents said there also were other senators who voted for the first treaty but might switch votes on the second.

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Polish Cosmonaut To Go on Next Soyuz

MOSCOW, April 18 (UPI)—Soviet space officials said today that their next international space mission will include a Polish cosmonaut.

Vladimir Shatalov, director of Soviet cosmonaut training, told Tass that a Soyuz mission including the Polish cosmonaut would be launched later in the year after the Salyut-6 space station is reoccupied. The Soviet Union sent up a Czechoslovak cosmonaut, Vladimir Remek, in the Soyuz-28 one-week mission to Salyut last month.

Armed Band Grabs Industrialist in Milan

MILAN, April 18 (AP)—Three men dressed in police uniforms today kidnapped Carlo Lavazzari, 53, a Milan industrialist, on the outskirts of the city.

The police said that the kidnapers stopped a taxi in which Mr. Lavazzari was going from home to his office and dragged him out. Then they fled with him in a waiting car.

From Black and White Press

All-Party Talks Get Rhodesia Support

SALISBURY, April 18 (AP)—A pro-black newspaper said today that Rhodesia's multiracial government should, with guerrilla leaders, accept the U.S.-British proposal for an all-party peace conference.

"We hope that the British and Americans have at least managed to instill in both the interim government and the Patriotic Front a deep and genuine desire to have our problems solved once and for all," the Zimbabwe Times said, a day after U.S. Secretary of State

Cyrus Vance and British Foreign Secretary David Owen were here to urge the meeting.

The Rhodesia Herald — aimed mainly at white readers — said of the Owen-Vance mission: "However determined they are to get Rhodesia back to the conference table they must know that the carrots they dangle — international recognition, the dropping of sanctions, a huge development fund — are insufficient if these are simply our reward for embracing Marxism."

But it added that, with necessary assurances, "Rhodesia should go to another conference if only because this would indicate a readiness to negotiate the U.S.-British proposals in preference to the demand of the PF [Patriotic Front]."

Robert Mugabe, a co-leader of the Patriotic Front, has said that the only outcome he sought from an all-inclusive conference was the

establishment of a one-party Marxist state in Rhodesia.

Mr. Vance and Mr. Owen yesterday conferred twice with the ruling Executive Council: Prime Minister Ian Smith, Bishop Abel Muzorewa, the Rev. Ndabaningi Sithole and Tribal Chief Jeremiah Chirau.

Mr. Smith reaffirmed the council's determination to remain behind the Salisbury agreement that he signed with the three black moderates last month — which calls for a transfer to majority rule on Dec. 31 — but added that its members would give "mature and responsible" consideration to the proposal.

Assad Goes to India

DAMASCUS, April 18 (AP)—President Hafez al-Assad went to India today for a six-day visit, the first by a Syrian head of state to the Asian subcontinent.

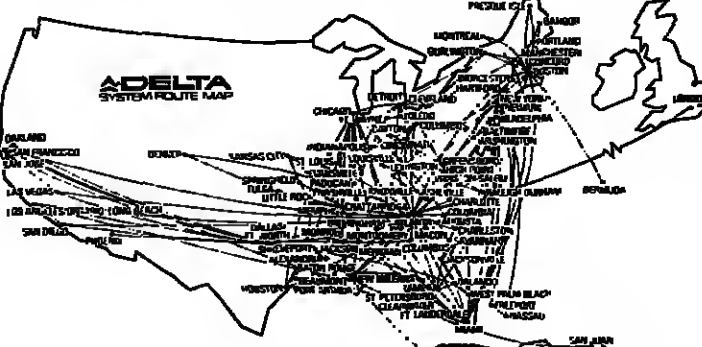
43 Killed in Ambush

MANILA, April 18 (AP)—Southern Philippine rebels killed 43 civilians and soldiers when they ambushed a civilian vehicle near Marawi City 575 miles south of here, the military said yesterday.

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Passman 'Too Sick' For Hearing, Trial

WASHINGTON, April 18 (UPI)—The lawyer of former Democratic Rep. Otto Passman says that his client is too sick to be arraigned or tried on charges of accepting more than \$200,000 from Korean businessman Tongsun Park.

Mr. Passman, 77, was indicted last month by a U.S. District Court grand jury on charges of receiving illegal payoffs in the Korean influence-buying scandal. On March 29 he entered a New Orleans infirmary for treatment of what his attorneys called "complete mental and physical exhaustion. The illness caused a postponement of his arraignment.

Further Detention For Miss Bhutto

KARACHI, April 18 (AP)—The monthlong detention order of Benazir Bhutto, the Oxford-educated daughter of former Prime Minister Zulfikar Ali Bhutto, has been extended for another month, the government announced yesterday.

The original detention order, served on her on March 18, was to expire today. It placed Miss Bhutto under house arrest in her own home here and forbade her to meet anyone without permission from the local authorities. A police guard has been posted outside her house.

Carter Picks Policy Aide

WASHINGTON, April 18 (UPI)—President Carter said today that he has appointed Henry Owen, Brookings Institution researcher and former State Department aide, as his special representative for economic summits and international economic policy.

First Triple Acclaim

3 N.Y. Times Journalists Awarded Pulitzer Prizes

By Peter Kihss

NEW YORK, April 18 (NYT)—Three members of the New York Times were named winners of the Pulitzer prize yesterday—for international reporting, commentary and criticism—in the first triple acclaim for any newspaper since the journalism awards were first given in 1917.

The New York Times recipients were Henry Kamm, for reports focusing world attention on the "boat people" refugees from Indochina; William Safire, for editorial columns credited with having initiated the investigation of Bert Lance and his subsequent resignation as director of the Office of Management and Budget; and Walter Kerr for his weekly drama criticism and his entire career.

The annual gold medal for public service went to the Philadelphia Inquirer for its exposure of abuses of police power.

Donald Cohn's first and only play, "The Gin Game," a two-character work, won the drama prize.

Literary Laurels

Walter Jackson Bates won his second Pulitzer Prize in biography, this time for "Samuel Johnson." Other winners in letters included: "The Dragons of Eden," and for fiction, "Elbow Room," a collection of short stories by James Alan McPherson.

Two men who are still active although long past conventional retirement age received special citations. In journalism, the tribute went to Richard Strout, who was 80 years old on March 14 and is still prolific, writing for the Christian Science Monitor and the New Republic. In letters the recognition was for E. B. White, 78, who still contributes to The New Yorker magazine.

Nineteen prizes in all were announced by William McGill, president of Columbia University, acting on the recommendation of the 14-member advisory board on the Pulitzer Prizes set up under the will of Joseph Pulitzer, who was publisher of the New York World.

The public-service medal went to the Philadelphia Inquirer for the work of two reporters assigned to the courts—Jonathan Neumann and William Marimow.

History Award

Alfred Chandler Jr., a professor of business history, won the history prize for "The Visible Hand: The Managerial Revolution in American Business."

The poetry prize went to "Collected Poems," by Howard Nemerov, incorporating works that in some cases went back to 1947.

The Pulitzer Prize for music went to Michael Colgrass for "Deja Vu for Percussion Quartet and Orchestra," commissioned by the New York Philharmonic Orchestra.

Except for the public-service gold medal and the special citations, the Pulitzer Prizes are \$1,000.



One of Ross Baughman's prize-winning photographs of prisoners held in Rhodesia's guerrilla war.

News Analysis

Carter, Aides Assess Their Problems

By David S. Broder and Edward Walsh

WASHINGTON, April 18 (WP)—President Carter returned to Washington yesterday after a two-day review of the problems confronting his administration with his Cabinet and senior White House advisers at Camp David.

"The President pointed out some mistakes he thinks he has made, but he made it damn clear that we've had 15 months now and the shake-down cruise is over," Jody Powell, White House press secretary, said.

Mr. Powell said that no personnel changes are planned in Cabinet or sub-Cabinet positions, adding that Mr. Carter has not softened his commitment to the concept of "cabinet government."

"This was not a process to abandon the concept of cabinet government or to provide greater centralization of authority in the White House," he said.

The President summoned the Cabinet and his senior advisers to the Camp David Mountain presidential retreat at a time when there are mounting problems facing the administration and a continuing decline in Mr. Carter's approval rating in public opinion polls.

While Mr. Carter was described as being frank in discussing the administration's shortcomings, if

major changes are to result from the meetings they were not evident from the remarks of participants.

Mr. Powell said that the administration intends "to make better use of the resources available to the President in support of administration goals and efforts." How this will be done and how it might differ from the administration's performance in the past remained vague.

An administration source said that the meeting was the first time that the President has talked tough to the Cabinet. The source said that there was a discussion of reminding aides in the various departments that they actually work for Mr. Carter and some indication that some second-level people could be fired.

Another source said that while the meetings could be described as "tough," Mr. Carter has been much more forceful in dealing with the Cabinet at their regular meetings in recent weeks.

While no immediate changes are planned in the Cabinet, the President is expected shortly to beef up his White House staff with the addition of new aides.

White House and Cabinet officials, accompanied by Vice President Mondale, went by helicopter to Camp David Sunday afternoon.

The officials spent Sunday meeting in small, informal groups. Sunday night the President and his wife, Rosalynn, hosted a reception for the officials before dinner.

Yesterday, Mr. Carter met with his Cabinet for an hour before inviting his White House advisers to join the group. Monday's meetings lasted from 8:45 a.m. until noon.

The President later told reporters that he had found the sessions "profitable, very helpful." Asked if he would now do things differently, he said, "We'll do things better."

Mr. Powell, who called the meetings "constructive and productive," said that similar sessions will be held every few months.

Mr. Carter returned to the White House at 2 p.m. yesterday. He was accompanied by Mrs. Carter, Attorney General Griffin Bell and the President's longtime friend and adviser, Atlanta lawyer Charles Kirbo.

U.S. Educators End 2-Week China Visit

HONG KONG, April 18 (AP)—A U.S. educator says that academic exchanges between the United States and China are unlikely until full diplomatic relations between the two countries are established.

John Hubbard, president of the University of Southern California, arrived here yesterday after spending two weeks in China, where he explored the possibility of establishing an exchange program for students and teachers. He was accompanied by a group of businessmen and educators.

For Taxpayers in U.S.

16 States Reportedly Set to Cut Taxes

By T.R. Reid

WASHINGTON, April 18 (WP)—Although passage of President Carter's proposal for a federal tax cut seems uncertain, many Americans can be fairly sure of a reduction in their tax burden this year.

At least 16 states and the District of Columbia seem likely to reduce overall taxes this year, according to a recent survey by the Tax Foundation, a private, nonprofit research group based in Washington. Seven states are expected to act on charges that would shift the heaviest revenue burden away from property taxes and into less unpopular forms of levy.

Only two or three states are likely to raise taxes this year, according to the survey.

The new tax-cutting mood reflects both electoral and economic forces.

Limits Resisted

The voters have ever been great supporters of increased governmental spending, but until recently they also resisted proposals that would have established spending limits. Referendums calling for ceilings on state spending and taxation were defeated in the last two years in Utah, Michigan and Montana.

But last month Tennessee voters approved, by a healthy margin, a constitutional amendment that prohibits a yearly growth in spending greater than growth in the state's personal income. Ohio residents refused to authorize increased education spending despite a clear threat that schools would have to close. Californians are expected to approve one of the spending-limitation proposals on the June 6 ballot.

In short, the taxpayers want some curbs on growing government spending and will support referendums to that effect if governors and legislatures will not act to control expenditures.

From the point of view of state budget officers, the popular pressure for austerity has come at the right time. In contrast to the continuing deficits to the federal budget, the state and local government sector is running at a surplus.

After a long post-World War II period of operating deficits (with a record deficit of \$6.2 billion for 1975), state and local governments went into the black in 1976 and last year, and the overall surplus is expected to continue this year, according to the Office of Management and Budget. A survey by the National Association of State Budget Officers said that only one state, Delaware, is expected to end the year with an operating deficit.

The boom in revenues has come at a time when states are biting the bullet somewhat on expenditures. The sharp growth in local government spending that characterized the early 1970s sailed off somewhat in 1974 and 1975.

House Tax Unit Votes to Abolish Gas Deduction

WASHINGTON, April 18 (IHT)—The House Ways and Means Committee, endorsing one of President Carter's tax proposals, voted tentatively yesterday to abolish the income tax deduction for state and local gasoline taxes.

The committee took the action on a 21-16 vote as it began consideration of the President's \$24.5-billion tax reduction and reform program. About nine out of 10 persons who itemize their returns now claim deductions for gasoline taxes.

The committee rejected two other Carter proposals. It refused to repeal the deduction for state and local general sales taxes or to delete the deduction for personal property taxes on such items as automobiles and campers.

Committee members said that these Carter proposals were rejected because they would strike hardest at middle-income taxpayers, those earning between \$15,000 and \$30,000 a year. The proposals were two of the President's key revenue-raising provisions.

Arreh Neier Resigns As Director of ACLU

NEW YORK, April 16 (NYT)—Arreh Neier, who oversaw the great expansion of the American Civil Liberties Union in the early 1970s, will resign as executive director next fall.

Mr. Neier said yesterday that his resignation was not influenced by recent criticism of the ACLU's defense of Nazis seeking to march in Skokie, Illinois, where several survivors of Hitler's death camps now reside.

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Women Far Outnumber Men

Single Russians Bothered by Acute Lack of Privacy

By Douglas Stanglin

MOSCOW, April 18 (UPI)—A population survey here shows that there are 170 single women in the Soviet Union for every 100 single men.

Those odds would make it tough for single women in the best of environments, but the problems are multiplied in Moscow, where singles bars do not exist and single-only apartment blocks are unheard of.

Premarital sex appears to be as prevalent in Soviet life as in any modern society, but single women seem hesitant to go out alone to meet men.

"I can't meet people in the street or the theater," complained a woman in a letter to a Soviet newspaper. "I do not consider these places the kind to make new acquaintances."

A survey by two Leningrad sociologists showed that most Russians met their spouses at work, at school or on vacations.

A woman in Moscow said: "It's

not considered very proper for single girls to go to bars or restaurants alone."

Housing Problem

Regardless of how they meet, single Russians are constantly faced with a lack of privacy. Moscow's housing problem is chronic and it is rare for a young single person to have his own apartment. Most live with their parents.

An unmarried 29-year-old woman with her own place said that singles are beginning to live together, despite the frowns of the older generation, and that friends often ask for her key while she is away.

At the University of Leningrad, authorities permit foreign students who are married to share a room. For other students, or for those who live at home, the problem of privacy is acute.

Automobiles are expensive and hard to buy in the Soviet Union, thus eliminating that traditional Saturday night standby for young Americans. Couples in Leningrad have been spotted having sexual relations in city parks. A hotel room seems like a logical solution, but in the Soviet Union it is against the law.

"It's extremely hard to get hotel accommodations in the Soviet Union," a Moscow woman said. "To register at a hotel one has to submit an internal passport. Guess what happens if unmarried people come to a hotel?"

Change in Attitude

But the official attitude may be changing. A Soviet newspaper article

last year suggested that society should reconsider old prejudices against unwed mothers and extramarital relations.

"The attitude today toward unwed mothers is very bad," the article said. "Unwed mothers are out the result of bad behavior but of demographics—the unequal number of girls and boys."

It told of an unmarried woman in Latvia who had been meeting a Leningrad man, who was evidently married, twice a year for almost a decade.

"Is she satisfied?" it asked. "Both yes and no, but most of all yes. She has somebody to love, she has somebody to share vacations with and somebody to write to. And she has the opportunity to have a child. Morals must not be an obstacle for human happiness."

Annual Renewal Of Trade Status Irks Ceausescu

NEW YORK, April 18 (AP)—Romanian President Nicolae Ceausescu said yesterday that, in his talks with President Carter, "it was recognized" that annual renewal of Romania's favorable tariff status is "a problem."

Romania has most-favored-nation status in regard to U.S. trade, but that designation has to be reviewed each year. Mr. Ceausescu told the Foreign Policy Association at a luncheon here that annual renewal creates uncertainty in trade agreements between his country and the United States.

Mr. Ceausescu said he was "fully satisfied on the whole" with his U.S. tour, which included stops in Texas, Tennessee and Louisiana as well as his Washington talks. He returned to Budapest today.

In Washington, a joint communiqué issued by Mr. Carter and Mr. Ceausescu said that Mr. Carter has "accepted with pleasure" an invitation to visit Romania. There was no indication of when the visit might be made.

Hong Kong Rescinds Water Restrictions

HONG KONG, April 18 (AP)—Water restrictions were lifted in Hong Kong today, 10 months after they were imposed because of the British colony's worst drought in decades.

Authorities said that they would review the situation but there was little likelihood that new restrictions would be needed this summer. The summer months are usually a rainy period for Hong Kong.

Diplomat Gives Russians 2d No

UNITED NATIONS, N.Y., April 18 (UPI)—Arkady Shevchenko, the leading Soviet diplomat at the United Nations, has met for a second time with Soviet representatives at their request and again told them he had decided "of his own free will" to defy their order that he go home, his attorney Ernest Gross said yesterday.

Mr. Gross said that Mr. Shevchenko also told the Russians that his decision was made without "any restraint or external coercion"—an apparent reference to Soviet claims that "premeditated provocation by the American intelligence services" was involved.

The 45-minute meeting in Mr. Gross's New York office Sunday, at the request of the Soviet Embassy in Washington, also was attended by a representative from the U.S. State Department who sat in as an observer, Mr. Gross said.

3 Die in Aftermath Of Jamaica Protest

KINGSTON, Jamaica, April 18 (AP)—Three persons were killed by police yesterday after a protest against poor road conditions and an unsanitary market turned into a rioting spree, police said.

The three were shot when they tried to escape after looting a store, police said. Police said they fired tear gas into the air after the demonstrators, estimated to number 5,000, became unruly. Two stores were looted.

Cambodia Is Hailed By Former Leaders

BANGKOK, April 18 (AP)—An

former Cambodian leader has surfaced during celebrations of the third anniversary of the Communist victory over a U.S.-backed government.

Radio Phnom Penh today read a message from ex-Premier Penn Nouth congratulating the regime for the April 17, 1975, victory over the government of President Lon Nol. Yesterday a similar message was read from former Cambodian head of state Prince Norodom Sihanouk. The broadcasts gave no clues to the whereabouts of either Prince Sihanouk or Penn Nouth. Both are believed to be virtual prisoners in Cambodia.

N. Dakota Disaster Area

WASHINGTON, April 18 (AP)—President Carter today declared North Dakota a major disaster area as a result of severe storms, ice jams and floods that began March 11.

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Theater in Vienna

O'Casey Easily Hurdles The Language Barrier

By Thomas Quinn Curtiss

VIENNA, April 18 (IHT)—Vienna's famous Burgtheater—its impressive history has just been vividly chronicled by Ernst Hauser in a handsome coffee-table volume—includes two Irish plays in its repertoire. The first is "The Stoops to Conquer" by the 18th-century Dubliner, Oliver Goldsmith, and the other is "Juno and the Paycock" by the 20th-century Dubliner, Sean O'Casey.

Goldsmith triumphed over the language barrier 200 years ago and his comedy has since been a favorite in almost every tongue. Freud once examined it in the light of psychoanalytical theory, finding in Tony Lumpkin's selfish rascality a revolt against maternal tyranny.

O'Casey now vaults the translation hurdle with like similar. The power and humor of his tragedy of the 1922 "troubles" in Ireland (produced as "Juno und der Pfau" here) moves and diverts Viennese spectators as it has English-speaking audiences for the last half-century.

At the Burg, as it is known, the 1922 "troubles" in Ireland (produced as "Juno und der Pfau" here) moves and diverts Viennese spectators as it has English-speaking audiences for the last half-century.

Heinz Moog, an outstanding member of the national theater's company, is her preposterous business partner, the "captain" who has never sailed beyond Dublin Bay. The "captain" was written for Barry Fitzgerald, and it subsequently was so closely associated with the role that the prospect of another

actor, Arthur Sinclair and Peter Liner O'Toole, challenged and dispelled this supposition and banished it again.

In contrast to the miniature production, Moog is of bulky frame, but the "captain" is not a matter of late antique physical size, and his Viennese dandy is in his own broad, blustering manner, as is his Viennese dandy. His bragging, pub-crawling, and his two actors, Arthur Sinclair and Peter Liner O'Toole, challenged and dispelled this supposition and banished it again.

He has the comic wit from Kurt Spornitz as his treacherous crony, "Joker" Daly, who hops like a

cocky street-sparrow at his side, oozing flattery in his presence and belittling him when his back is turned. The emotional undercurrent of troubled Dublin and the play's daringly swift changes from hilarity to the tragic have been preserved in this staging and meet immediate audience response.

Plays adapted from the English are always favored in Vienna. One of the native Viennese's most celebrated comedies, "Einen Funz will er sich machen," is of British origin. Adapted back into English by Thornton Wilder as "The Matchmaker," it became the libretto for the musical comedy smash, "Hello, Dolly!"

Bernard Shaw's initial popular success came in the German-speaking lands—when London commercial managers were still dismissing him as a freak of the avant-garde—due to the Austrian dramatist, Siegfried Trebitsch, who translated all of his plays. Shaw sought to pay this debt by translating a Trebitsch tragedy, "Jitta's Atonement," into English, transforming it into a comedy in the process.

There is no Shaw on in Vienna at the moment, but his contemporary, Galsworthy, whose plays are somewhat neglected in his homeland these days, is represented by "Loyalists," written in 1922.

"Loyalists" was a much-discussed problem play in the 1920s, with its exposure of upper-class solidarity instanced by an outsider breaching the establishment code by accusing a fellow guest of theft during a weekend party in a stately country home. Hans Jary, long a local matinee idol and comedy author, has made the new version, entitled "Gesellschaft" (Society), and is playing a central role in its production at the Volkstheater. It is a hit, alternating in the repertoire with Sardon's perennial "Madame Sans-Gene," in which Bonaparte's laundress is created as a duchess when her former client becomes emperor.

The Josefstadt is presenting two plays from Ayckbourn's trilogy, "The Norman Conquests," and Christopher Hampton's "Total Eclipse." The Akademietheater, second playhouse of the Burg, has Tom Stoppard's "Dirty Linen," a brace of satirical sketches set in the conference chambers of the Houses of Parliament, and two French plays: the Marivaux classic of 18th-century fin de siècle, "Le Jeu de l'Amour et du Hasard," and Roger Vitrac's grotesquerie from the experimental twenties, "Victor."

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Paula Wessely takes on role of Juno in Vienna.

The fringe theaters, too, are filled with foreign works: Edward Bond, "Lorca," "Hair," and a London melodrama, "Duet for Two Hands. One avant-garde group—at the Theater am Belvedere—has ambitiously undertaken a revival of "Spiegel-mensch" by Franz Werfel, its author's ambitious attempt at rewriting "Faust." At least, this resurrection is a reminder of Werfel's stature. His great symbolic tragedy, "Goat Song," is overdue for a worthy revival at the Burg.

Of the present-day Austrian dramatists, Wolfgang Bauer is generally held to be the most promising, his experimental adaptation of Ibsen's "Ghosts" having attracted much attention. In his latest play, "Fill und Frau," at the Theater am Belvedere, there is evidence of his talents. Helmut Qualtinger, co-author and interpreter of "Der Herr Karl," a stinging lampoon on the man-in-the-street and his "thinking," seems to have temporarily abandoned play writing for occasional acting. As a comic satirist, he is comparable to Brendan Behan and his contributions are missed.

At the Theater an der Wien, John Gay's "Beggars' Opera"—the inspiration of the Brecht-Weill "Dreigroschenoper"—is to be seen in a new version, "Die Gauneroper" of V. Havel. It shares the weekly program with Kalliturn's adaptation of Scribe's "A Glass of Water."

The famed Viennese operetta is still in fashion and much relished to its capital, but there seems to be no new ones of note since the

golden age of the waltz kings when they were in constant demand all over the world. The Volksoper devotes itself almost exclusively to the genre with an occasional light opera, such as Thomas's "Mignon," to vary the diet. In the current repertoire are several favorites of reputation and pleasant memories: Leo Fall's "Madame Pompadour," Lehár's "Count of Luxembourg," Strauss's "Gypsy Baron," Kalman's "Csardas Princess," and the "White Horse Inn" of Benatzky. Their nostalgic scores are as melodious as ever and they are performed and sung with style and charm in polished stagings that shame their shoddy revivals abroad.

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A Jazz Musician Who Has Luck...and Organization

By Michael Zwerin

PARIS, April 18 (IHT)—Looking at Gary Burton, the word "levelheaded" comes to mind. And, knowing him, "fortunate."

He is not a Lenny Bruce/Muppet Show out-of-it jazz musician. Under other circumstances, he might have played tympani with a major philharmonic. As it happened, the lights went off one night during a high school rehearsal and he was the only one who continued playing. He realized he could improvise.

Burton first surfaced out of Indiana in 1963, with George Shearing. A gangly, hayseed, talented 20, he moved on to Stan Getz, who featured him for three years. He has since won every world poll on vibraphone. He leads a quartet which has produced communicative chamber jazz for a decade, and which began a 40-concert tour of Europe at Espace Cardin on April 4.

He speaks with the easy confidence of someone grateful for his luck, which he nevertheless knows he helped along: "I've always been able to make a living playing the music I want to play. I suppose I've used my talent in an organized way. There are a lot of talented people who seem always to be going off at loose ends. Getz played all the major spots and he went out of his way to draw attention to me. I really can't complain. I've had it easier than most. When I started the quartet, I stumbled on the eclecticism of the sixties. Diversity has become a trend. These days you have to be knowledgeable about rock, jazz, a little classical and some ethnic music."

Milt Jackson was the most innovative vibraphonist in the fifties, perhaps the only. His percussive, lyrical, two-mallet lines are among the purest manifestations of bebop. Besides him there were only Lionel Hampton and Red Norvo, both rather slunk in their past.

"I was lucky with my instrument," Burton says. "There isn't much competition on vibes. There was lots of room for innovation when I came up. Nobody was playing with four mallets, for example. Norvo had played quite a bit with four mallets back in the thirties, but by the end of the forties Milt was real popular and Red gave it up. He told me later he was sorry he'd done that."

Burton calls himself "organized." While maturing, his playing has not changed basic direction since the beginning and the quartet continues to occupy the same space it always has, a space which, incidentally, serves as a unique bridge between the mainstream of jazz and the permutation called jazz-rock.

Bassist Steve Swallow, a giant on his instrument, writes most of the material, which the group treats collectively, keyed to Burton's four-mallet voicings. They have been together since both worked with Getz, except for a period in the early seventies when Swallow tried California and Burton taught at Boston's Berklee school of jazz.

"Out of every hundred students I would deal with, maybe four would be really talented. I began to feel that I was wasting my time and theirs, and also carrying out a sort of fraud. Somehow, we were all there pretending that in the course of the next few years the other 96 were going to pull everything to-

gether miraculously. That eventually got me down. I decided to quit teaching and concentrate on the quartet again."

While viable, the group has never reached the mass market. It records for ECM, a small company in Munich.

"If I was on Columbia and they spent \$40,000 or \$50,000 producing my album," Burton said, "I'd have to sell a hundred thousand before any of us would make money. I'll never sell that many records on a steady basis. Anyway, I don't want to have to pay the dues for that big an audience. With ECM, everybody's happy at 20,000 albums."

His biggest seller, over 100,000 and still active, is a duo date with pianist Chick Corea called "Crystal Silence." "Chick is one of the few friends I have who has gone into the big-money side of it. Perhaps it's right for him. He's certainly happy. He loves to have a huge staff and a big scene always going on. He likes to stay keyed-up. He thrives on it. I don't like that. When I go somewhere, I just check in. I like to go home and be a normal person living in my neighborhood."

All of the quartet members live in New England, musicians with families who did not want to have to choose between New York and Los Angeles. Burton says:

"One big advantage is that there are so many colleges in the Northeast. We work 30 to 40 concerts a year just a few hours drive from home. I wouldn't get a lot of them if I were living in New York. By the time you've flown up to Boston, rented cars and driven to New Hampshire, you've upped our price a thousand dollars. So moving to

Boston turned out to be lucky. Really lucky."

Gary Burton Quartet itinerary: April 20, Wuppertal, West Germany; April 21, Bonn; April 25, Braunschweig; April 26-27, Hamburg; April 28, Wilhelmshaven; April 30, Berlin; May 2, Munich; May 3, Linz, Austria; May 4, Freiburg, West Germany; May 6, Nyon, Switzerland; May 7, Innsbruck, Austria; May 8, Vienna; May 9, Zagreb, Yugoslavia; May 10-11, Oslo; May 12, Bergen, Norway; May 13, Trondheim, Norway; May 15, Göteborg, Sweden; May 16-17, Copenhagen; May 18-21, elsewhere in Denmark; May 24, Dublin.

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Resolutions and Settlements

The Israeli Cabinet, in what has been described as an effort to reduce frictions between Washington and Jerusalem over the stalemated peace efforts, has affirmed that UN Resolution 242 remains the basis for negotiations with all its Arab neighbor states. The resolution, passed by the Security Council after the six-day war in 1967, calls on Israel to withdraw from occupied territories, while giving Israel recognition as a sovereign state within secure frontiers.

In other words, the resolution can have different interpretations. The Arabs have insisted it means total withdrawal from occupied lands. The United States believes it means withdrawal with minor strategic border adjustments. The Begin government accepts some withdrawals, some arrangements for autonomy within the now occupied areas, some suspension of the issue of sovereignty. And Mr. Begin has insisted that everything is negotiable.

But Israel officially now refers to the West Bank of the Jordan River as Judea and Samaria, dramatizing that region's association with historic Israel. And what is more to the point, the government has authorized settlements in the occupied territory—indeed, immediately following the Cabinet's statement on Resolution 242, another settlement was begun on land that was once under Jordanian sovereignty and which might be considered part of a Palestinian state.

Settlements are rather more definite than Security Council resolutions or Cabinet statements. Dwellings and their occupants can both be removed, but it is a more trou-

blesome feat than arguing over words and splitting hairs on definitions. It would appear, therefore, that whatever changes in mood the acceptance of the resolution was supposed to represent—and those, it was made quite plain, were minor—the new settlement has canceled out. The situation in the Middle East remains as it was, in familiarly painful suspense.

Why, then, did Mr. Begin's Cabinet make its statement? One can only assume that it was not to offer concessions but to demonstrate the Israeli position that its arguments on behalf of some form of Israeli control over the Gaza Strip, the West Bank, and the Golan Heights were consistent with Resolution 242—which is the common ground of virtually all potential negotiators of peace in the Middle East. This does not include those Arabs, such as the Palestine Liberation Organization, who have called for an end to the state of Israel. Nor does it, presumably, include those Israelis who feel that their ownership of all of Palestine is a legacy of history.

So Resolution 242, precisely because of its several interpretations, still could constitute a basis for discussion. But it would better fulfill that role if the settlement issue were not pressed by Israel, and if the Arabs cooperated in controlling PLO terrorism that provokes retaliation. Indeed, the whole process of seeking peace could be advanced if it were focused on a diplomatic table, instead of the building of houses in controversial areas, the tossing of bombs and bullets anywhere—and a succession of public pronouncements from all quarters.

Images of the Holocaust

The entry for "Holocaust" in the Encyclopedia Judaica is accompanied by several pages of photographs taken in Europe in the 1930s and 1940s. A congregation of Jews forced to sing Nazi songs in a Baden-Baden synagogue. Jews in Vienna scrubbing a street under the eyes of the Hitler Youth. The synagogue in Landau on fire. The windows of a Jewish-owned shop in Magdeburg smashed during Kristallnacht. Women and children, all wearing yellow stars, arriving at Auschwitz. Naked people lined up for execution at a mass grave in Lithuania. The heaps of corpses found by the British when they liberated the concentration camp at Bergen-Belsen.

Such are the images of the Holocaust—the name that has attached itself to the torment and murder of millions of Europe's Jews by the Nazis. The images seem to be unforgettable, yet some have forgotten; still others, the young especially, have never truly comprehended the terror of the time.

On Friday evening, Jewish families will gather for the first seder of Passover, the holiday that commemorates the deliverance from bondage in Egypt, and in many homes a prayer will be said for victims of Europe's terrible bondage under Hitler. The seder is based on the biblical injunction to pass the memory of the Exodus from generation to generation: "And thou shalt tell thy son in that day, saying—It is because of that which the Lord did for me when I came forth out of Egypt." The tales of the Exodus, complete

with plagues, the Angel of Death, the parting of the sea, the happy ending, seem made for children. But what tales of the Holocaust can a parent bring himself to tell a child? How convey to the young this experience that was burned into the minds and souls of their elders?

Some U.S. schools, including those in New York City, try to teach the brutal history of Nazism, and study guides have recently been distributed to accompany a U.S. television special, "Holocaust," which began on Sunday night and was watched by millions of young Americans of all faiths. The plans of a group of Nazis to march through Skokie, Ill., the home of several thousand former concentration-camp inmates, is, in a perverse way, also a reminder, and numbers of Christians plan to wear the Star of David for a few days as a token of solidarity.

What are the young to make of all this? In a nation where Christians wear Jewish stars and Jewish lawyers defend the rights of Nazis, how can boys and girls be expected to conceive of a time when Nazis actually ruled, and to be a Jew marked one for destruction? How can madness be described to someone who has never seen a madman? The effort must, of course, be made; the gas ovens must not be forgotten. But, in a way, everyone in the United States, Jews and non-Jews alike, can be grateful, even as we try to put the Holocaust into words for our children, that they do find it so hard to understand.

THE NEW YORK TIMES.

Lucius Dubignon Clay

Thirty years ago this spring, the United States was facing its first major post-World War II test of will: Stalin's blockade of the western sectors of Berlin. Washington's man-on-the-spot was Gen. Lucius Dubignon Clay, then both the commander of U.S. military forces in Europe and military governor of the U.S. zone of shattered and occupied Germany. For Gen. Clay, who died Sunday at 80, the Berlin crisis proved to be the summit of his long and distinguished military career. Older Americans will remember him for the proposal he and the late Robert Murphy made to break the ground blockade by military force. And Gen. Clay will be remembered for his conception of the airlift as an amazingly successful alternative.

Those stands alone give a false impression of the general. When he first went to Germany as deputy military governor, Clay believed it possible to work with the Russians. He disagreed with George Kennan's gloomy view of Moscow's long-range intentions. He quickly saw the necessity of, and constantly worked for, a revival of the German economy, preferably of the zones under both Soviet and Western control. In time, of course, he came to see cooperation with the Russians as impossible. But, unlike some others, his record attests to an honest and sincere effort

to carry over into the postwar era the military alliance forged against Hitler. Like many others, once he concluded that Stalin's policies, epitomized by the blockade, were the product of aggressive intent, Gen. Clay yielded to no one in his firmness: "If we mean that we are to hold Europe against Communism, we must not budge," he reported back to Washington.

In this age of revisionist history it is worth noting the suggestion of a prominent young historian that the general's proposal to break the ground blockade may have had more validity than his superiors in Washington would concede because they feared that such action would lead to war with the Soviet Union. Daniel Yergin wrote last year in his "Shattered Peace" that "the historian cannot avoid the conclusion that the Russians would either have backed down or been at a disadvantage in a larger confrontation." History does not disclose its alternatives, however. Gen. Clay followed a U.S. tradition in bowing to superior authority—and then finding a successful alternative. He was that kind of man. And when you say that about a high-ranking U.S. military figure, you are offering high praise.

THE WASHINGTON POST.

In the International Edition

Seventy-Five Years Ago

April 19, 1903

WASHINGTON—Gen. Baden-Powell, who is visiting in this country incognito, arrived here yesterday and called upon the Secretary of War, Mr. Root, and Generals Miles, Corbin and Young. It is stated that Gen. Baden-Powell's visit here is especially to make investigation of American cavalry methods. He is being shown every possible courtesy by the American officers.

Fifty Years Ago

April 19, 1928

PARIS—Exhibitors in the United States would welcome really good French motion pictures—such as would attract big box office receipts. The attempt to force their pictures on foreign markets as prescribed in the new French Cinema Control Commission is doomed to failure. These are the ideas of Hal Roach, American producer of motion-picture comedies, who is at present in Paris.



'We'll Get You There in Bully Style.'

Rights' Impasse: Round 2

By John Bovey

PARIS—Having been commissioned by Moscow to explain the fiasco of the Belgrade Conference, Evgeny Rudkovsky (Letters, April 12) denounces as moribund the Western obsession with "a handful of dissidents," who, he assures us, "are threatened with nothing if they do not violate the laws of their countries." Can't of this sort is in itself a confession, but one might just remind Mr. Rudkovsky (1) that any elite—Rostropovich, Sakharov, Solzhenitsyn, Amalrik (or, if he prefers, the Politburo and the Praesidium)—is inevitably measured by the handful, and (2) that it is precisely the laws of the Eastern European countries that prevent them from complying with the agreements they signed at Helsinki concerning free exchanges of persons and ideas.

Mr. Rudkovsky attributes the Belgrade impasse rather to "the enemies of European security" who blocked decisions on military detente. But where in the West does he find enemies of European security, and what would they stand to win? The decisions that Mr. Rudkovsky finds regrettably absent are the dismantling of NATO and, as the Russians made clear at Helsinki in 1975, the preservation of Soviet military predominance and the status quo in Eastern Europe.

All the same, Mr. Rudkovsky assures us that the Belgrade Conference "reached its main goal. It demonstrated the determination of the European peoples to continue along the road started in Helsinki." Unfortunately it demonstrated nothing of the kind, partly because the popular interest, in Europe as in the United States, was so faint as to be almost imperceptible. But in this the people were wrong: for if Helsinki and Belgrade demonstrated anything, it was the total bankruptcy of the public diplomacy that is practiced in their name in both the East and the West.

And how is it that Western statesmen find themselves participating in these travesties and even agreeing to a return bout in Madrid? In response to public pressures, mounted by the Soviet Union and its satellites and Western comrades in the 1960s and intensified after the Czechoslovakian score in 1968, the leaders of the West were bamboozled—no other word will do—to meeting their Eastern counterparts at Helsinki, where they were persuaded to endorse the status quo in Europe, i.e., to freeze the boundaries of Eastern Europe. Why?

The reason advanced in Western Europe and the United States was that such a conference would provide an ideal forum for the conclusion of agreements on human rights and the movement of persons and ideas in cultural exchange. Such

agreements, we were assured, would open the windows of the East to fresh breezes and stimulate the fraternal impulses necessary to detente and peace. The incidental drawback that the terms of such agreements were unthinkable in the Soviet Union or among its "allies" was passed over in silence, although even the dimmest and most devious of experts were aware that they would in fact remain unenforceable. But when politicians conduct diplomacy (as distinct from the formulation of policy), they have no time to listen to experts or to the voice of experience. Here was a chance to carry favor with liberal opinion; hence the myth that peace-loving peoples clamored for participation in the Helsinki summit, although in fact the pressures to which statesmen yielded were in large measure imaginary or self-induced. The Russians had their own objectives, but it is difficult to deny that Western statesmen, in their posturings before their public, were nearly as dishonest as their opposite numbers, who exploited the Western sweet tooth for proclamations of principle in order to consolidate what Mr. Rudkovsky calls European security: i.e., the inviolability of the Soviet empire.

The instigators of Helsinki and Belgrade—at least in the West—forgot that diplomacy by conference, as the two postwar "world series" have amply proven, is disturbing, expensive, and mostly unproductive. Conducted in the full glare of modern publicity, multilateral conferences put a premium on expediency rather than principle, on fuzzy grandiosity rather than precision. Because participants, particularly those at the summit, keep their ears bent on their constituents back home, they inevitably concentrate on what will produce immediate hurrahs rather than on what will protect ultimate interests—in short, on what is subsidiary rather than central.

And inevitably the chickens come home to roost, as they did at the Belgrade "follow-up," where it was impossible to agree on anything except the organization of another slanging match in Madrid at the not inconsiderable expense of the taxpayer.

One may agree with Mr. Rudkovsky in condemning the champions of psychological warfare who organize and operate at these conferences. But how can he seriously attribute the monopoly in this domain to the West? For it is totalitarian diplomacy that starts by borrowing the language of Western democracy—peace, detente, security, popular sovereignty, nonintervention, etc.—and ends by reducing it to jargon that no one dares to question or define.

Worst of all, the poison filters back into Western diplomacy, so that nearly everyone accepts slogans and even falsehoods as legitimate instruments for persuading the public at home and abroad. If the deceptions of Presidents Johnson and Nixon about Indochina are not fresh enough to substantiate this melancholy assertion, the Belgrade Conference will do very nicely. It stands as a classic instance of the impasse into which the hypocrisies of public negotiation—as distinct from the public conduct of policy—will always lead. Here indeed was the nadir of the "new" diplomacy and the zenith of doublethink in the West as well as the East.

Mr. Bovey, a retired Foreign Service Officer, wrote this article for the International Herald Tribune.

Anthony Sampson From London:

Will the videotape revolution eventually break up this global village...?

LONDON—The videotape invasion of Europe has begun. The magic machines, which can record TV programs and play them back at will, are beginning to compete with each other fiercely in the shops. Last week, the chairman of Sony, Akio Morita, was in London to launch the Sony version, selling at a mere \$1,500, and to herald a great new age of videorecording. "The sad fact is," he explained, "that once a program is off the air it has gone forever for TV viewers." But the new machines, he promised, would put that right and they would thus revolutionize attitudes to TV, introducing boundless new prospects of education and home instruction.

And no doubt these machines, with their revolutionary habits, will soon be making themselves felt in European homes as well as offices. The market for color TV sets is now almost saturated, and the Japanese manufacturers look to videorecorders to provide a comparable market, which will (the experts promise) eventually bring the prices tumbling down. And many film producers look forward to videotapes being the means of selling or renting direct to their public, bypassing the tyranny of the TV companies and the ratings.

But what kind of revolution exactly will this be, and what will be its social and psychological effects? Having recently (for odd reasons) acquired one of these machines, I am still trying to work out what it is going to do to me, and to everybody else.

Magic

Of its magic qualities there can be no question: It looks like something out of "Star Wars," with its row of shining switches, its sudden click into silent recording and its little lights blinking like artoo-deetoes. It seems more amazing than the invention of TV itself, that a small tape, the size of a paperback, can contain three hours of color recording. The video-freaks, with their whole new language of modes, functions and terminals, seem to belong to a strange new video-land.

Its powers are quickly apparent, as it reveals that it can capture a TV program—an opera, an old film, or a rare interview—while you are out of the house, or even watching a documentary on another channel, and quietly store it away for another time. It can defy the dictatorship of the TV companies, which put the best films late at night, and fill up the peak hours with rubbish. It lets you escape from the mass market, picking your

own idiosyncrasies, in play on a screen after breakfast or a Bogart film on Sunday morning.

Certainly, as Mr. Morita of Sony explained, the best of television has always been too fleeting and too ephemeral as if the BBC and the companies had never existed. What freedom, what independence, when you can rent your own tape of films, you can assert your independence as if the BBC and the companies had never existed. What freedom, what independence, when you can rent your own tape of films, you can assert your independence as if the BBC and the companies had never existed.

And yet, will not this new machine exact some subtle penalty, as machines so often do—some kind of enslavement? Of course, the extreme cases are already familiar—the gadget-freaks of any kind who become so obsessed by the controls that they forget to listen to the music or watch the film; or the home-movie buffs who see gadgetry simply as an extension of their own narcissism, cutting them off still further from other people.

But machines can have subtle effects too. And the videotape, by allowing us to escape from schedules and mass programming, may lure us into a new kind of isolation, self-absorption. Mass television has always been subject to appalling abuses, shutting people up in their homes and exposing them to mindless entertainment and intrusive advertising. But it has remained a kind of social activity, producing the common awareness of the "global village." For all its excess, it has had some remarkable effects—very different from newspapers—providing a common experience for factory workers and intellectuals, which they can talk about the next morning.

Will the videotape revolution eventually break up this global village, pushing us back into our private worlds, into a still closer relationship with the TV box? Will the blinking machine be like a servant who, while obsequiously serving, gradually conditions his master into an isolated dependence? Will we all go the way of home-movie buffs?

Of course, it is absurd to suggest that we cannot cope with choice, and nothing is more ridiculous than to be enslaved by a servant. And, of course, when television itself first spread across Europe 30 years ago, no one accurately predicted what its social effects would be. But what the box has new tricks up its sleeve—with videotapes, television systems and computers moving in behind it—we may need to be more than usually skeptical when it promises us our freedom.

Giving Up on Sadat

By Joseph Kraft

AMMAN—He used to be known as a dashing monarch, bold and a bit of a playboy—"The James Dean of Arab feudalism." Now King Hussein of Jordan is a somber statesman. So it is notable that he has suddenly abandoned a role of studied quiet in favor of a loud call for a summit meeting of Arab leaders.

I talked with the King about summit possibilities at an interview in his palace here in Amman. It was our first encounter in the past four months, and I was struck again by the physical marks of change.

Hussein's face is deeply lined now. His hair is graying and his tone somewhat weary. He is growing a beard—"like my grandfather," he remarked.

I observed that the call for a summit seemed a departure from a period of doing nothing—especially about the peace negotiations between Egypt and Israel. Hussein said that he had been active all along in trying to promote cohesion among the Arab states. But he conceded that President Sadat's visit to Jerusalem "caught us all completely by surprise...we were momentarily paralyzed."

What broke the paralysis was Israel's invasion of south Lebanon last month. In the past, the King recalled, Israeli attacks had always provoked some kind of military response from the Arab states. He mentioned 1948, 1956 and 1967 as examples.

This time there have been no

reactions. But there was "pain and disquiet" among the Arab masses. Those bitter feelings of frustration constituted a mortal danger.

They threatened the "wreck of the Arab nation." To avert that he wanted the Arab leaders to get together and develop policies of harmony and cooperation. "We do not want to be the last of the Arabs," he said.

I asked if a summit meeting would not imply an acknowledgment by President Sadat that his initiative had failed. "I have always said," the King remarked, "that the Sadat initiative had to have one of two results. One was success, which would mean Israeli withdrawal from occupied territory, self-determination for the Palestinians, and peace. If that occurred, 'we would all rejoice.'"

But, he went on, "we have not had success." On the contrary he noted that UN Resolution 242, providing for withdrawal from occupied lands, was now questioned by the Israelis. He said there was no more prospect of a Geneva conference. He said that after the Lebanon incursion he did not even know "what map of their country is in the minds of the Israeli leaders."

I asked whether he was saying, in effect, that since the Sadat initiative things had moved backwards. "Yes," he said, "we have gone backwards."

All Right

As a result, he added, "the Arab world is now moving towards saying, 'All right, we tried and failed. Let us look at ourselves, and build our strength, so that in time Israel will assume its true proportions, and we can try again. Let us make

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U.K. Oil Income Up; Output Trails Target

LONDON, April 18 (Reuters)—The first indication that North Sea oil is having a major impact on Britain's economy was published here today in a report showing that oil revenues are surging.

Royalties from oil and gas production climbed to £228 million last year, compared with £44.2 million in 1976, the Energy Department said. The report forecast that the revenue, mainly from royalties, will reach £4 billion a year by the mid-1980s, at 1977 prices.

The report reduced the amount of oil production which it had previously forecast for 1978, but left unchanged its estimates for the ensuing years—predicting production would build up to national self-sufficiency of between 90 million and 110 million tons in 1980.

The department said oil production was expected to rise from last year's 38 million tons (down from the forecast 40-45 million tons) to between 55-65 million tons this year (down from an earlier forecast at 60-70 million tons).

Bad Weather Cited

The more cautious view took into account the possibility that bad weather and technical problems, which limited the build-up in the second half of 1977, may persist, the report said. But it added that the progress of development work justified its unchanged production estimates for 1979, 1980 and 1981 of 80-95 million, 90-110 million and 100-120 million tons, respectively.

In 1982, production of 105-125 million tons was expected, by which time the build-up would start to level. Output from the original 14 fields would have peaked and then on production from new developments would offset the decline in older fields so that output throughout the 1980s would be in the range of 100-150 million tons a year, the report added.

The report shows an increase in possible reserves for fields in production or under development to 1.43 billion tons from last year's estimate of 1.26 billion. Total estimated reserves of the continental shelf remain in the range of 3-4.5 billion tons, including possible future discoveries.

Remaining natural gas reserves at the end of 1977 were estimated to be 744 billion cubic meters (BCM) compared to last year's estimate of 809 BCM.

Dollar Gain Shows Lag, Dealers Say

LONDON, April 18 (AP-DJ)—The dollar rose against major European currencies and the yen for the fourth consecutive day today, but foreign exchange dealers said the advance was losing momentum and that a technical downward reaction could occur shortly.

After trading as high as 2.0570 Deutsche marks in the morning, the dollar finished the day at 2.0479 DM, a relatively small gain from 2.0433 DM yesterday.

"Some profit-taking is normal and there still aren't any good reasons for the dollar to be higher," one trader commented.

One feature of the day's activity was further weakness of sterling even though the Bank of England again allowed short-term sterling interest rates to move higher in the interbank market. At the end of the day, sterling was quoted at \$1.8450, down from \$1.8515 and at 3.7785 DM, down from 3.7835.

Three-month Eurosterling interest rates, which basically reflect the changes in the forward foreign exchange market, rose to 9 percent offered from 8.25 percent yesterday and 7.88 percent Friday.

In trading for other currencies, the dollar moved up to 1.9070 Swiss francs from 1.890 and to 4.5950 French francs from 4.5860. The dollar rose to 221.95 yen from 220.45. The Canadian dollar continued to benefit from strength of the U.S. dollar and moved up to 0.8770 U.S. cents from 0.8697.

Chinese Buy Wheat In U.S. Market Again

WASHINGTON, April 18 (AP-DJ)—China made its second purchase of U.S. wheat this year, the Agriculture Department said today.

The latest purchase totaled 400,000 metric tons—100,000 metric tons for delivery by May 31 and the rest during the marketing year ending May 1979. With the latest purchase, China has purchased one million tons of U.S. wheat this year, after a four-year absence from the U.S. market.

Grain traders and wheat growers have been speculating in recent weeks that China may be preparing to buy as much as 6 million tons of U.S. wheat because its harvest has been poor and its usual suppliers can not meet its added needs.

The department also said the Soviet Union has bought 121,958 metric tons of U.S. wheat from unidentified grain concerns.

Japan Seen Continuing Surpluses Official Doubts Cuts As Targeted Possible

TOKYO, April 18 (AP-DJ)—Japan will continue to show substantial trade and current-account surpluses in the fiscal year that began April 1, despite repeated official forecasts to the contrary, a senior government official says.

Toyo Goyoten, a Finance Ministry official, said that the country will not meet earlier forecasts of reduced surpluses. "Even if our imports increase as we expect now, the surpluses will be larger than we expected because the actual performance of exports in 1977 was larger than we anticipated," he said.

Echoing this forecast, the Foreign Trade Council said exports will continue to rise in dollar terms despite voluntary curbs on shipments announced last weekend, Reuters reported. The council, which represents leading trading companies, said the curbs would actually mean larger dollar receipts, since the yen has appreciated over 30 percent since the beginning of 1978.

The government has predicted that its trade surplus will be \$13.5 billion and current-account surplus will be \$6 billion in the current fiscal year. Those forecasts have been used as the basis for trade negotiations with the United States and the Common Market despite the private doubts of some governmental and private-sector economists.

Yesterday, Japan reported a trade surplus of \$19.07 billion compared with \$15.44 billion the previous year and a current-account surplus of \$16.19 billion compared with \$6.18 billion.

At the London economic summit last May, Premier Takeo Fukuda had estimated the country's current account for the fiscal year ended March would be in deficit by \$700 million.

"In retrospect, you can call it an underestimate or a miscalculation," Mr. Goyoten said. When the estimates were made in December for last fiscal year, exports were expected to rise 3 percent in volume and 11 percent in value. Instead, he said, they rose 6 percent in volume and 13 percent in value. "We underestimated both," he said.

For the current year, Mr. Goyoten said, "I can't make a quantitative forecast. But I have a very strong hunch that the first-quarter surplus will be the largest one. And because our invisible account won't fluctuate very much, I can safely say that our current-account balance will also show a smaller trend."

Prospects for imports remain clouded, however. The official forecast for the year is that they will rise about 13 percent in value. "That's our present guess," Mr. Goyoten said. He tied any significant increase to a pickup in industrial activity here.

In a revised report today, the Ministry of International Trade and Industry (MITI) said February's industrial activity showed a 0.1-percent gain rather than the 0.6-percent drop announced in its preliminary report. The revised, seasonally adjusted index of mining and manufacturing also was up 4.4 percent from a year earlier at 119.2 (1975 equals 100).

Bears Awed, But Dubious of NYSE Surge

NEW YORK, April 18 (AP-DJ)—Even the staunchest bears are awed by the compression of such unprecedented activity on the New York Stock Exchange in two days of soaring stock prices.

"It's the most powerful rally I've ever seen," asserted Dudley Eppel, director of block trading at Loeb Rhoades. "There was huge foreign buying and huge retail (individual) buying." The rally that began Thursday and picked up considerable speed Friday was kicked off by "the aggressive buying" of New York banks, according to brokers. Foreign investors and individuals were not a big factor until yesterday. Meanwhile, traders reported "enormous" short-covering—repurchase of borrowed stock by those who had earlier been betting on a market decline.

"This rally is an awesome display of the power of sidelines cash flooding back into the market," said Mr. Eppel.

Buying panics have become a fixture of modern markets, occurring with some frequency since the late 1960s. For all the spectacle they provide, they can as often be a mere interruption in a market downturn as the start of something big on the upside. As more and more institutions have opted for market timing, seeking to catch market peaks and bottoms when planning portfolio strategy, herd psychology has played an important role.

The recent surge is even more impressive to some than the massive buying in early 1975 and early 1976. However, it is considered unlikely to still the basic argument over the market's long-term direction. In both 1975 and 1976, initial surges of prices and volume petered out. There is an underlying

feeling that the same might happen again and that the current rally may already have achieved the bulk of whatever gains lie in store.

If it has done nothing else, however, the abrupt change in sentiment among cash-laden institutions has put the bears on the defensive and has taken much of the urgency out of forecasts calling for a new 1978 market low.

"In a sense, the high volume we've seen is an emotional response of big investors," says Robert Farrell, head of market analysis at Merrill Lynch. "But it's also an index of interest that usually appears in the middle to late stages of a move." He considers the revived institutional buying of large-capitalization stocks a recognition of the market uptrend that has been occurring since early March.

He is not among those who view high volume as a danger sign at this stage. "I would expect to see margin (credit) buying and foreign buying come in over the next few weeks before this move peaks," he says. Although he thinks further gains may be modest and that downside tests will occur, he adds that he is "less inclined to think the market is going to a new low" than he had been.

Other analysts are reserving judgment, and some are unshaken in their view that conditions characteristic of a true market turnaround have not been met. "I think it's a real trap," says Ned Davis, a respected technician at J.C. Bradford & Co. of Nashville. "Primary trends tend to persist even though contrarian moves can be spectacular and exciting. It's very reminiscent of 1968. I think the market should start back

down to May and June and the decline could be fairly severe.

Alan Shaw of Smith Barney advised clients the rally has been bigger and broader than he expected but does not provide enough evidence to take a definite stand on the basic market trend. "The large stocks were decidedly oversold," he says, "but as of now, they're no longer oversold and have exceeded our price objectives."

Donald Hahn of Becker Securities says he considers the current activity "a psychological reaction to the hope, at least, that the Carter administration has become more concerned about fighting inflation and the declining dollar." But he is sticking by his firm's earlier advice that clients hold high cash reserves. "We don't want to be in the position of someone standing in the path of a 10-ton truck going the wrong way down a one-way street," he says. "So we'd be flexible if we saw more to convince us, but we still don't believe the market has made a sustainable bottom. I don't see anything in this rally to alter that."

Anthony Ludovici, analyst with Tucker, Anthony, viewed the upswing as "an interruption in a bear market." And Argus Research contended that "a basic turnaround isn't likely until there's been a peak in interest rates."

But William Goldstein, executive vice-president of Burton J. Vincent, Chesley & Co., asserted that "we're seeing a major change in market trend." "Any runup this fast is bound to have some correction," he noted, "but so many individuals and institutions got caught with so much cash that any correction will be short-lived."

Loss Wider, Sales Off at Salzgitter

HANNOVER, April 18 (AP-DJ)—Salzgitter reported today a consolidated loss of 95 million Deutsche marks in the fiscal year ended Sept. 30 compared with a loss of 50 million DM the previous year.

The company will offset the loss by drawing 95 million DM from reserves. Exports totaled 38 percent of turnover, unchanged from the previous year, the company added.

Sales fell 4.8 percent to 8.44 billion DM. Steel production was down 8.1 percent with mills operating at 60 percent of capacity. Salzgitter lost 240 million DM in the steel sector in the year.

Hans Birbaum, management board chairman of the state-owned group, said the steel sector was still losing money in the first half of the current fiscal year, but there are signs that the situation will improve. The company hopes to get "much nearer toward the black" if recent EEC measures in the steel sector are effective, Mr. Birbaum said. The average loss is currently 50 DM a ton, compared with 80 DM a ton in the last fiscal year, he noted.

Investment fell to 450 million DM from nearly 600 million DM in the previous year, and will be cut to under 400 million DM in the current year, he said.

Hawker Siddeley Net Up

LONDON, April 18 (AP-DJ)—Hawker Siddeley Group's net profit rose to £49 million in 1977 from £37.5 million the previous year, the company said today.

It noted the results exclude its former U.K. aerospace operations. Sales rose to £252 million from £173 million, excluding the now nationalized concerns. The electrical and mechanical engineering firm declared a final dividend of 2.201 pence, making 6.1907 pence for the year, the maximum permitted, against 5.6279 pence.

Hawker Siddeley said the figures exclude extraordinary debt of £10 million due to translation effects compared with a credit of £8.9 million last year.

Negotiations have not begun with the government on compensation for the U.K. aerospace operations, which were nationalized under a bill passed last year by parliament, although the company said compensation will exceed the book value. A payment of £3.1 million for the operations has already been received in 1978 and interest will be paid on the compensation from the date of vesting, it noted.

IRI Loss Narrows

ROME, April 18 (AP-DJ)—Istituto Nazionale per lo Sviluppo Industriale (IRI), the state-owned holding company and Italy's largest concern, posted consolidated net losses for 1976 of 424 billion lire (about \$493 million), a slight improvement from a loss of 447.3 billion lire the previous year.

Because of the accounting complications in compiling consolidated results for the 467 industrial and 92 banking members in IRI, the results are usually released a year after the individual company's.

IRI noted, however, that because partners continued to withdraw from the group during 1976, the group's share of the losses rose to 350.4 billion lire from 334.5 billion in 1975.

Losses attributable to its partners fell to 73.6 billion lire in 1976 from 112.8 billion lire.

The group said assets at the end of 1976 totaled 22.6 trillion lire in 1975.

(Continued on Page 10, Col. 1)

Company Reports

Revenue, Profits in Millions of Dollars

Abtibi Paper Ltd.			First Boston		
1st Qtr	1978	1977	1st Qtr	1978	1977
Revenue	294.10	233.70	Revenue	16.8	17.9
Profits	14.76	3.486	Profits	0.68105	0.136
Per Share	0.13	0.13	Per Share	0.2105	0.05
Archer Daniels Midland			Florida Power		
1st Qtr	1978	1977	1st Qtr	1978	1977
Revenue	9.30	15.404	Revenue	178.250	171.812
Profits	0.30	0.49	Profits	19.351	23.917
Per Share	0.30	0.49	Per Share	1.11	1.44
Budd			General Telephone & Electronics		
1st Qtr	1978	1977	1st Qtr	1978	1977
Revenue	33.13	317.6	Revenue	662.575	584.306
Profits	10.094	11.983	Profits	77.786	64.852
Per Share	1.28	1.83	Per Share	4.49	3.60
Chase Manhattan			Hercules		
1st Qtr	1978	1977	1st Qtr	1978	1977
Revenue	41.00	27.40	Revenue	1.990	1.760
Profits	1.20	0.85	Profits	160.707	133.840
Per Share	41.00	28.90	Per Share	1.12	0.95
Per Share	1.21	0.90			
Citicorp			Honeywell		
1st Qtr	1978	1977	1st Qtr	1978	1977
Revenue	106.30	92.063	Revenue	787.10	663.10
Profits	0.86	0.74	Profits	33.772	26.878
Net Income	105.86	88.488	Per Share	1.58	1.28
Per Share	0.86	0.71			
Crown Cork & Seal			Koppers		
1st Qtr	1978	1977	1st Qtr	1978	1977
Revenue	263.4	221.7	Revenue	284.80	263.10
Profits	12.568	10.642	Profits	3.10	3.30
Per Share	0.81	0.68	Per Share	0.12	0.13

Ruling Favors Brokers

NEW YORK, April 18 (AP-DJ)—In a potentially far-reaching decision, a New York State Appeals Court has overturned as "arbitrary" the state's method of taxing certain major sources of revenue for securities firms.

If the decision by the appellate division, the middle tribunal in the state's three-tiered court system, is not reversed, it could prompt demands by brokerage houses for millions of dollars in tax refunds, according to lawyers familiar with the issue.

Thomas Lynch, a member of the state's Tax Commission, said through a spokesman yesterday

that the commission is studying the decision but has not decided whether it will appeal it.

The case that prompted the ruling involves J.C. Bradford & Co., a Nashville-based brokerage concern with a sales office in New York City. Bradford, a partnership, had appealed the commission's ruling that the firm owed about \$227,000 in unincorporated-business taxes for the years 1964-1970.

Although the hub of the dispute was the commission's formula for computing taxes on out-of-state unincorporated businesses with branches in New York, the court's decision extended to encompass the state's franchise tax, which applies to all brokerage firms with offices, including headquarters, in the state.

Steel Output Seen Up In Japan This Year

TOKYO, April 18 (AP-DJ)—Japan's crude-steel output is forecast to rise 0.4-0.3 percent to 101-104 million tons in the current fiscal year from an estimated 100.63 million tons the previous year, the Iron and Steel Federation said today.

Domestic demand for crude steel in the current year started April 1 is forecast at 63.5-66.5 million tons, up from estimated 61.3 million tons. Exports are expected to drop 2 million tons to about 37.5 million tons.

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Prices Drop In Active NYSE Trade

Profit-Taking Cited After 3-Day Surge

NEW YORK, April 18 (Reuters)—Prices on the New York Stock Exchange fell to the inevitable profit-taking today in heavy, although reduced turnover.

"It's quite a normal, natural response for the market to take a breather after two days of big volume and high prices," an analyst remarked.

Big Board volume, which climbed to a record 63.5 million shares yesterday, narrowed to 38.95 million shares.

The market brushed aside the news of a surge in housing starts in March and the report U.S. personal income grew in the month.

The Dow Jones industrial average closed off 6.85 at 803.27 after surging nearly 44 points the last three sessions. The average had earlier rallied to a two-point gain after a five point deficit following the opening and was off 7.77 points at 3 p.m.

However, the index again began improving in the final fifteen minutes of trading and analysts do not rule out the possibility of a firmer opening tomorrow.

Declining issues outnumbered advances 1,124-to-410. Institutions did not play as prominent a role in today's trading as yesterday, analysts said. Big block trades were a record 833 yesterday, up from a record 762 Friday and 478, the prior record, Oct. 8.

But analysts added that institutions are certain to return in the near future, as only part of their piled up cash reserves have been spent.

Prices were also lower in heavy trading on the American Stock Exchange. The market-value index, which had set new highs the previous 10 sessions, fell 1.09 to 134.66. Volume totaled 4.31 million shares, down from 6.18 million shares yesterday.

Tandy Corp. was a standout loser, down 4 1/4 to 36 1/4 on volume of 184,900 shares after the company came in with lower operating income.

St. Regis Paper, which also reported a decline in earnings, fell 1/4 to 26 1/4 and Merck was down 1 1/4 to 52 1/4 after posting only slightly better results.

Among bank holding companies posting higher net were Citicorp, down 1/4 to 23 1/4 and Chase Manhattan, off 1/4 to 30 1/4. Republic Steel was unchanged at 24 1/4. Amdahl rose 1/4 to 50 and General Telephone & Electronics eased 3/4 to 29 1/4. All three companies reported higher earnings.

Assuro, volume leader on the Big Board, advanced 1/4 to 18 while Bendix fell 1/4 to 72 1/4. Bendix said last week it is raising its stake in Assuro to 16.7 percent.

Among other losers, Smithline fell 1 1/4 to 60. Mobil Oil 1 1/4 to 63 1/4. Proctor & Gamble, 1 1/4 to 80 1/4. Texaco Instruments 1 1/4 to 72 1/4 and Bristol-Meyers 2 1/4 to 31 1/4.

In Chicago, wheat closed irregularly lower, corn mixed; oats fractionally lower and soybeans mixed on the Board of Trade.

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Italy to Seek \$2 Billion Loan, Officials Say

ROME, April 18 (Reuters)—Italy hopes to obtain around \$2 billion in new loans from the EEC and International Monetary Fund this year to cover around half of its 1978 debt-repayment obligations, officials source said today.

The amount and form of potential loans have not yet been decided. Official and Eurocurrency loan repayments during this year total over \$4 billion, including \$1.4 billion on a 1974 loan from the EEC and \$1.5 billion to the Bundesbank.

Italy repaid \$500 million to the EEC and around \$390 million to the IMF in March, as instalments on loans due, and further repayments are due to the EEC in June, September and December and to the Bundesbank in September.

Government officials said they expect Italy to meet existing debt payment deadlines, partly through an expected balance-of-payments surplus this year would be about \$2 billion (about \$2.3 billion) and partly by raising new loans.

Wage Gains Hurt Bonn Targets

By Sarah K. Mero

FRANKFURT, April 18 (AP-DJ)—Recent wage settlements in key sectors of the West German economy have raised fresh doubts the country will achieve its target of 3.5 percent real growth in 1978.

While wage gains are likely to show a smaller rise this year than last, most analysts fear that the results of the toughest round of bargaining in years may severely crimp capital investment and prevent a reduction in unemployment.

On the basis of contracts reached so far this year, economists are predicting that average wages, including fringe benefits, will rise 5-to-5.5 percent, compared with a 7-percent increase last year. Inflation is seen declining to 3-percent annually, down from nearly 4 percent.

In November, the government's independent panel of economic advisers known as the "five wise men" concluded that a 5.5-percent wage increase was the absolute ceiling to achieve 3.5-percent real growth. But they warned that unless pay increases were held below 4 percent, unemployment would show practically no decline.

Assumptions Changed

However, key assumptions underlying the forecast have changed for the worse, according to Armin Gutowski, until this year a member of the panel and now chief economist at Kreditanstalt fuer Wiederaufbau. One major adverse factor is a sharper decline in the dollar than was originally expected. "If overall wage increases are close to 5 percent this year, 3.5 percent real growth can perhaps still be achieved, but I'd say this is an optimistic estimate. I'd put 1978 real growth at closer to 3 percent," he said in an interview.

Other analysts are more pessimistic.

An economist at a leading bank here predicts that real GNP growth will "barely reach 3 percent" in the quarter just ended, despite earlier projections as high as 5 percent.

"A 5.5-percent average wage rise this year wouldn't be bad under optimum circumstances," he said noting that both industrial output and orders showed a surprisingly large decline in February.

While government officials describe the wage bargaining results so far as "manageable," the government is deeply concerned that future settlements be held as close as possible to its informal guideline of 4.8 percent, sources said.

At any rate, in a country that used to be praised for its exemplary labor-management relations, the recent round of bargaining between the so-called "social partners" was marked by bitter recriminations, strikes and lockouts. Although the air is clearing slightly following the settlement of a regional strike in the metal industry, the IG Metall union has rejected the same contract for workers at Volkswagenwerk which is not covered by one of the regional contracts.

(IG Metall has approved a VW strike vote to be held tomorrow and Thursday, the union said.)

The contract for the 3.5 million metal workers concerned raises wages about 5.5 percent in 1978, including fringe benefits.

Other recent settlements include:

- A 4.5-percent increase for white- and blue-collar government and postal workers. Collective bargaining for railway workers is still underway.
- A 4.3-percent increase in the chemical industry.
- A 5-percent boost for workers in the printing industry, who shut down printing plants earlier in the

